

# Auditing Procedures Report V1.04

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Issued under Public Act 2 of 1968, as amended .

Unit Name	West Iron County Fire Board	County	IRON	Type	OTHER	MuniCode	36-7-509
Opinion Date-Use Calendar	Jul 21, 2008	Audit Submitted-Use Calendar	Jul 21, 2008	Fiscal Year-Use Drop List	2008		

If a local unit of government (authorities & commissions included) is operating within the boundaries of the audited entity and is NOT included in this or any other audit report, nor do they obtain a stand-alone audit, enclose the name(s), address(es), and a description(s) of the authority and/or commission.

**Place a check next to each "Yes" or non-applicable question below. Questions left unmarked should be those you wish to answer "No".**

<input checked="" type="checkbox"/>	1. Are all required component units/funds/agencies of the local unit included in the financial statements and/or disclosed in the reporting entity notes to the financial statements?
<input checked="" type="checkbox"/>	2. Does the local unit have a positive fund balance in all of its unreserved fund balances/unrestricted net assets?
<input checked="" type="checkbox"/>	3. Were the local unit's actual expenditures within the amounts authorized in the budget?
<input checked="" type="checkbox"/>	4. Is this unit in compliance with the Uniform Chart of Accounts issued by the Department of Treasury?
<input checked="" type="checkbox"/>	5. Did the local unit adopt a budget for all required funds?
<input checked="" type="checkbox"/>	6. Was a public hearing on the budget held in accordance with State statute?
<input checked="" type="checkbox"/>	7. Is the local unit in compliance with the Revised Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, and other guidance as issued by the Local Audit and Finance Division?
<input checked="" type="checkbox"/>	8. Has the local unit distributed tax revenues, that were collected for another taxing unit, timely as required by the general property tax act?
<input checked="" type="checkbox"/>	9. Do all deposits/investments comply with statutory requirements including the adoption of an investment policy?
<input checked="" type="checkbox"/>	10. Is the local unit free of illegal or unauthorized expenditures that came to your attention as defined in the Bulletin for Audits of Local Units of Government in Michigan, as revised (see Appendix H of Bulletin.)
<input checked="" type="checkbox"/>	11. Is the unit free of any indications of fraud or illegal acts that came to your attention during the course of audit that have not been previously communicated to the Local Audit and Finance Division? (If there is such activity, please submit a separate report under separate cover.)
<input checked="" type="checkbox"/>	12. Is the local unit free of repeated reported deficiencies from previous years?
<input checked="" type="checkbox"/>	13. Is the audit opinion unqualified?
	14. If not, what type of opinion is it? <input type="text" value="NA"/>
<input checked="" type="checkbox"/>	15. Has the local unit complied with GASB 34 and other generally accepted accounting principles (GAAP)?
<input checked="" type="checkbox"/>	16. Has the board or council approved all disbursements prior to payment as required by charter or statute?
<input checked="" type="checkbox"/>	17. To your knowledge, were the bank reconciliations that were reviewed performed timely?
<input checked="" type="checkbox"/>	18. Are there reported deficiencies?
<input checked="" type="checkbox"/>	19. If so, was it attached to the audit report?

General Fund Revenue:	\$ 92,818.00
General Fund Expenditure:	\$ 74,985.00
Major Fund Deficit Amount:	\$ 0.00

General Fund Balance:	\$ 139,718.00
Governmental Activities Long-Term Debt (see instructions):	\$ 0.00

We affirm that we are certified public accountants (CPA) licensed to practice in Michigan. We further affirm the above responses have been disclosed in the financial statements, including the notes, or in the Management Letter (Reported deviations).

CPA (First Name)	Dianne	Last Name	Rostagno	Ten Digit License Number	1101021859				
CPA Street Address	101 West Maple Street	City	Iron River	State	MI	Zip Code	49935	Telephone	+1 (906) 265-1040
CPA Firm Name	DS Rostagno CPA P.C.	Unit's Street Address	PO Box 203	City	Iron River, MI	LU Zip	49935		

**WEST IRON COUNTY FIRE BOARD**

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**Financial Report  
With Supplemental Information  
Prepared in Accordance with GASB 34**

**March 31, 2008**

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## **INDEPENDENT AUDITOR'S REPORT**

# ***DS Rostagno, CPA, P.C.***

***101 West Maple Street, Iron River, MI 49935  
Tel (906) 265-1040 Fax (906) 265-1042***

Board of Directors  
**West Iron County Fire Board**  
Iron River, Michigan 49935

## **INDEPENDENT AUDITOR'S REPORT**

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the **West Iron County Fire Board**, as of and for the fiscal year ended March 31, 2008, which collectively comprise the **West Iron County Fire Board's** basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the **West Iron County Fire Board's** management. Our responsibility is to express an opinion on these financial statements based on our audit.

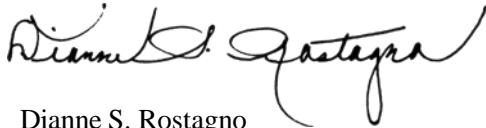
We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America, and the standards prescribed by the State Treasurer. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Board of Directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinions, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the **West Iron County Fire Board**, as of March 31, 2008, and the respective changes in financial position for the fiscal year ended in conformity with generally accepted accounting principles in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 21, 2008 on our consideration of the **West Iron County Fire Board's** internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis on pages 7 through 14 and the budgetary comparison information not required parts of the basic financial statements but are supplementary information required by the *Governmental Accounting Standards Board* and by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of the inquiries of management, regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinions on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the **West Iron County Fire Board**'s basic financial statements. The combining and individual fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinions, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in black ink, appearing to read "Dianne S. Rostagno", with a stylized flourish at the end.

Dianne S. Rostagno  
DS ROSTAGNO, CPA, P.C.

July 21, 2008

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

# WEST IRON COUNTY FIRE BOARD

P.O. Box 203

Iron River, Michigan 49935

The management of the **West Iron County Fire Board** provides this narrative overview and analysis of the financial activities of the **West Iron County Fire Board** for the fiscal year ended March 31, 2008. As readers, you are encouraged to read this discussion and analysis in conjunction with the Fire Board's financial statement information included in this report.

## *Overview of the Financial Statements*

This discussion and analysis is intended to serve as an introduction to the Fire Board's basic financial statements. The financial section of this report includes management's discussion and analysis, the basic financial statements, and required supplementary information. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

## *Government-wide financial statements*

The government-wide financial statements are designed to provide readers with a broad overview of the Fire Board's finances, in a manner similar to a private-sector business.

The Statement of Net Assets presents information on all of the Fire Board's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Fire Board is improving or deteriorating.

The Statement of Activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements include not only the Fire Board itself (known as the primary government), but also the following legally separate component unit for which the Fire Board is financially accountable - the *West Iron County Volunteer Fire Department*. Financial information for this component unit is reported separately from the financial information presented for the primary government.

## *Fund Financial Statements*

The Fire Board, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. In the basic financial statements, the emphasis of the fund financial statements is on major funds. All of the funds of the Fire Board are governmental funds.



# WEST IRON COUNTY FIRE BOARD

P.O. Box 203

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## ***Governmental Funds***

Governmental Funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spend-able resources, as well as balances of spend-able resources available at the end of the fiscal year. This information may be useful in evaluating the Fire Board's near-term financing requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. In order to provide the reader with information to better understand the long-term impact of the government's near-term financing decisions, a reconciliation between the government-wide financial statements and the fund financial statements is included as part of the basic financial statements.

The Fire Board maintains only one governmental fund – the General Fund. Information is presented separately in the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balance for the general fund, which is always considered to be a major fund.

The Fire Board adopts an annual budget for its general fund. To demonstrate compliance with this budget, a budgetary comparison statement has been provided for the general fund, and is included in the "Required Supplementary Information" section of this document.

## ***Notes to the Financial Statements***

Notes to the financial statements are included in the basic financial statements, and provide additional information that is essential for a full understanding of the data provided in the government-wide and the fund financial statements.

## ***Supplementary Information***

Required supplementary information follows the basic financial statements, and includes budgetary comparison schedules for the General Fund as presented in the governmental fund financial statements.

# WEST IRON COUNTY FIRE BOARD

P.O. Box 203  
Iron River, Michigan 49935

## *Government-wide Financial Analysis*

In time, net assets of a governmental entity may serve as a useful indicator of the government's financial position. In the case of the Fire Board, assets exceeded liabilities by \$620,974 at March 31.

By far, the largest portion of the Fire Board's net assets is its investment in capital assets (land, buildings, machinery, and equipment), less any outstanding debt related to acquiring the asset. These capital assets are used to provide services to citizens and are not available for future spending. Although the Fire Board's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt (when applicable) must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. At March 31, 2008, the Fire Board reported \$481,256 in net assets invested in capital assets net of related debt. (There was no outstanding debt at March 31, 2008.)

## **Summary of Net Assets**

In a condensed format, the following is a summary of the Fire Board's net assets at March 31, 2008 and March 31, 2007.

	<b>Governmental Activities</b>	
	<b><u>2008</u></b>	<b><u>2007</u></b>
<b><u>ASSETS</u></b>		
Current and other assets	\$ 139718	\$ 121885
Capital assets, net	<u>481256</u>	<u>535853</u>
<b>Total Assets</b>	<b>\$ 620974</b>	<b>\$ 657738</b>
<b><u>LIABILITIES</u></b>		
Long-term liabilities	\$ 0	\$ 0
Other liabilities	<u>0</u>	<u>0</u>
<b>Total Liabilities</b>	<b>\$ 0</b>	<b>\$ 0</b>

# WEST IRON COUNTY FIRE BOARD

P.O. Box 203  
Iron River, Michigan 49935

## *Government-wide Financial Analysis (Continued)*

### **Summary of Net Assets (Continued)**

	<b>Governmental Activities</b>	
	<b><u>2008</u></b>	<b><u>2007</u></b>
<b><u>NET ASSETS</u></b>		
Invested in capital assets, net of related		
Debt	\$ 481256	\$ 535853
Reserved	0	0
Unrestricted, Undesignated	<u>139718</u>	<u>121885</u>
<b>Total Net Assets</b>	<b>\$ 620974</b>	<b>\$ 657738</b>

For governmental activities, net assets decreased by \$36,764 during the year.

The following represents the change in net assets for the Fire Board's governmental funds for fiscal years ended March 31, 2008 and March 31, 2007.

	<b>Governmental Activities</b>	
	<b><u>2008</u></b>	<b><u>2007</u></b>
<b><u>REVENUES</u></b>		
<b><i>Program Revenues</i></b>		
Charges for services	\$ 84779	\$ 82536
Operating grants and contributions	0	3807
Capital grants and contributions	0	148750
<b><i>General Revenues</i></b>		
Investment earnings	5035	4686
Other	<u>3004</u>	<u>973</u>
<b>Total Revenues</b>	<b>\$ 92818</b>	<b>\$ 240752</b>

# WEST IRON COUNTY FIRE BOARD

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Iron River, Michigan 49935

## *Government-wide Financial Analysis (Continued)*

### **Summary of Net Assets (Continued)**

	<b>Governmental Activities</b>	
	<b><u>2008</u></b>	<b><u>2007</u></b>
<b><u>EXPENSES</u></b>		
Administration	\$ 15272	\$ 14750
Fire Protection	59713	56385
Debt Service		
Interest and fees	0	0
Depreciation	<u>54597</u>	<u>43498</u>
<b>Total Governmental expenses</b>	<b>\$ 129582</b>	<b>\$ 114633</b>
 Increase (Decrease) in Net Assets	 (36764)	 126119
Net Assets, beginning of year	<u>657738</u>	<u>531619</u>
<b>Net Assets, end of year</b>	<b>\$ 620974</b>	<b>\$ 657738</b>

### **Governmental Activities**

Charges for services totaled \$84,779, or approximately 92 percent of total governmental revenues. Of this amount, \$76,000 represents assessments from participating municipalities.

The Fire Board expended \$129,582 on governmental programs and services. The largest expense category was incurred for fire protection, which totaled \$59,713 in 2008 or approximately 46 percent of total expenditures.

# WEST IRON COUNTY FIRE BOARD

P.O. Box 203  
Iron River, Michigan 49935

## *Financial Analysis of the Governmental Funds*

As previously noted, the Fire Board uses fund accounting to ensure and demonstrate compliance with finance-related requirements.

### **Governmental Funds**

The focus of the Fire Board's governmental funds is to provide information on near-term inflows, outflows, and balances of spend-able resources. This information is useful in assessing the Fire Board's financing requirements.

In particular, the unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The Fire Board's governmental fund reported an ending fund balance of \$139,718 for 2008, all of which all is unrestricted and is available for spending at the government's discretion.

The Fire Board's primary governmental fund is its general fund. There are no reservations in the general fund's fund balance.

### *Expenditures – Budget vs Actual for the Year Ended March 31, 2008*

<u>Expenditures Original Budget</u>	<u>Expenditures Final Budget</u>	<u>Expenditures Final Actual</u>	<b>Variance Actual vs Original Budget</b>	<b>Variance Actual vs Final Budget</b>
\$ 87,500	\$ 87,500	\$ 74,985	\$ 12,515	\$ 12,515

### *Revenues Budget vs Actual for the Year Ended March 31, 2008*

<u>Revenues Original Budget</u>	<u>Revenues Final Budget</u>	<u>Revenues Final Actual</u>	<b>Variance Actual and Original Budget</b>	<b>Variance Actual and Final Budget</b>
\$ 87,500	\$ 87,500	\$ 92,818	\$ 5318	\$ 5318

# WEST IRON COUNTY FIRE BOARD

P.O. Box 203  
Iron River, Michigan 49935

## **Governmental Funds (Continued)**

On the budgetary basis of accounting, the Fire Board ended the fiscal year with revenues higher than the original and the final projection. Total expenditures were lower than projected. At fiscal year end, the fund balance was higher than either the original or the final amended budget projections.

General fund financial and budgetary highlights of the fiscal year include:

- \* Fire Service revenue was up from the initial and final amended projections.
- \* Expenditures in total for the general fund were \$74,985 less than the final amended budget of \$87,500.

## **Capital Assets and Debt Administration**

### ***Capital Assets***

The Fire Board's investment in capital assets, net of accumulated depreciation, for its governmental activities as of March 31, 2008 was \$481,256. The investment in capital assets includes land, buildings, fire truck and equipment, protective gear, communications equipment, and other safety equipment.

### ***Long-term debt***

As of March 31, 2008, the Fire Board had no outstanding debt.

# WEST IRON COUNTY FIRE BOARD

P.O. Box 203  
Iron River, Michigan 49935

## **Priorities and Accomplishments**

The following areas highlight the Fire Board's priorities and accomplishments:

The first and foremost priority of the **West Iron County Fire Board** is to provide fire protection to area residents at a reasonable cost, while equipping the volunteers with adequate tools and equipment to assure their safety. With the help of grants and annual payments by the participating local units of government, the Fire Board has been able to keep this equipment up to date.

Future plans include the continuous replacement of other equipment as needed.

## **Requests for Information**

This financial report is designed to provide a general overview of the Fire Board's finances for all those with an interest in the Fire Board's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

**West Iron County Fire Board**  
P.O. Box 203  
Iron River, Michigan 49935

## **BASIC FINANCIAL STATEMENTS**



<b>WEST IRON COUNTY FIRE BOARD</b>
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**STATEMENT OF NET ASSETS**

*MARCH 31, 2008*

	<b>Governmental Activities</b>	<b>Component Units</b>	<b>Reporting Entity Totals</b>
<b><u>ASSETS</u></b>			
<b><u>Current Assets</u></b>			
Cash and Cash Equivalents (Note C)	\$ 134,928	\$ 18,571	\$ 153,499
Accounts Receivable	4,790		4,790
<b>Total Current Assets</b>	139,718	18,571	158,289
<b><u>Noncurrent Assets</u></b>			
Capital Assets, Net (Note H)	481,256		481,256
<b>Total Noncurrent Assets</b>	481,256	-	481,256
<b>TOTAL ASSETS</b>	<b><u>\$ 620,974</u></b>	<b><u>\$ 18,571</u></b>	<b><u>\$ 639,545</u></b>
<b><u>LIABILITIES</u></b>			
<b><u>Current Liabilities</u></b>			
Accounts Payable	-	-	-
<b>Total Current Liabilities</b>	-	-	-
<b><u>Noncurrent Liabilities</u></b>			
Bonds/Notes Payable	-	-	-
<b>Total Noncurrent Liabilities</b>	-	-	-
<b>TOTAL LIABILITIES</b>	-	-	-
<b><u>NET ASSETS</u></b>			
Invested in Capital Assets, Net of Related Debt	481,256	-	481,256
Unrestricted and Undesignated	139,718	18,571	158,289
<b>TOTAL NET ASSETS</b>	<b><u>\$ 620,974</u></b>	<b><u>\$ 18,571</u></b>	<b><u>\$ 639,545</u></b>

The notes to the financial statements are integral part of this report.

<b>WEST IRON COUNTY FIRE BOARD</b>
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**STATEMENT OF ACTIVITIES**

*YEAR ENDED MARCH 31, 2008*

Functions/Programs	<u>PROGRAM REVENUES</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants</u>
<b>Primary Government -</b>				
Public Safety:				
Administration	\$ 15,272	\$ -	\$ -	\$ -
Fire Protection	59,713	84,779	-	-
Interest on Long-Term Debt	-			
Depreciation (Unallocated)	<u>54,597</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Governmental Activities	129,582	84,779	-	-
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 129,582</b>	<b>\$ 84,779</b>	<b>\$ -</b>	<b>\$ -</b>
 <b>Component Units</b>				
West Iron County Volunteer				
<u>Fire Department</u>	37,970	16,092	-	-

General Revenues:  
Miscellaneous Refunds/Rebates  
Interest and Investment Earnings  
Fund Raising

**Total General Revenues**

**Change in Net Assets**

**Net Assets - Beginning of year**

**Net Assets - End of year**

<b>WEST IRON COUNTY FIRE BOARD</b>
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**STATEMENT OF ACTIVITIES**

*YEAR ENDED MARCH 31, 2008*

**Net (Expense)  
Revenue  
and Changes in  
Net Assets**

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**Governmental  
Activities**

---

**Component  
Units**

---

\$ (15,272)  
25,066  
-  
(54,597)

\$ -  
-  
-  
-

(44,803)

-

**\$ (44,803)**

**\$ -**

(21,878)

3,004

-

5,035

578

-

20,168

**8,039**

**20,746**

**(36,764)**

**(1,132)**

**657,738**

**19,703**

**\$ 620,974**

**\$ 18,571**

The notes to the financial statements are an integral part of this report.

<b>WEST IRON COUNTY FIRE BOARD</b>
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**BALANCE SHEET- ALL GOVERNMENTAL FUND TYPES**

*MARCH 31, 2008*

	<u>GOVERNMENTAL FUND TYPES</u>	
	<u>GENERAL FUND</u>	<u>TOTAL (Memorandum Only)</u>
<b><u>ASSETS</u></b>		
<b><u>Current Assets</u></b>		
Cash and deposits	\$ 134,928	\$ 134,928
Accounts receivable	4,790	4,790
	<hr/>	<hr/>
Total Current Assets	139,718	139,718
<b>TOTAL ASSETS</b>	<b><u><u>\$ 139,718</u></u></b>	<b><u><u>\$ 139,718</u></u></b>
 <b><u>FUND EQUITY</u></b>		
Fund Balance, Unreserved	<hr/> 139,718	<hr/> 139,718
<b>TOTAL FUND EQUITY</b>	<b><u><u>\$ 139,718</u></u></b>	<b><u><u>\$ 139,718</u></u></b>

The notes to the financial statements are integral part of this report.

<b>WEST IRON COUNTY FIRE BOARD</b>
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**RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS TO NET ASSETS***MARCH 31, 2008*

<b>Fund Balances - Total Governmental Funds</b>	<b>\$ 139,718</b>
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Amounts reported for governmental activities in the statement  
of net assets are different because:

Capital assets used in governmental activities  
are not financial resources and are not  
reported in the funds.

The cost of capital assets is:	879,987
Accumulated depreciation is:	(398,731)

Long term liabilities are not due and payable  
in the current period and are not reported  
in the funds:

Bonds Payable	-
---------------	---

Other long term assets not available to pay  
current period expenditures therefore  
deferred in the funds

-
---

Accrued interest is not included as a liability  
in governmental funds

-
---

Amounts due to other non-governmental funds  
are not reported in the government-wide financial  
statements

-
---

<b>Total Net Assets - Governmental Activities</b>	<b><u><u>\$ 620,974</u></u></b>
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The notes to the financial statements are an integral part of this report.

<b>WEST IRON COUNTY FIRE BOARD</b>
------------------------------------

**STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS**

*MARCH 31, 2008*

	<u>GENERAL FUND</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<b>Revenue</b>		
Local Unit Assessments	\$ 76,000	\$ 76,000
Use of money and property	5,035	5,035
Miscellaneous	11,783	11,783
Intergovernmental	-	-
	<hr/>	<hr/>
<b>Total Revenue</b>	<b>92,818</b>	<b>92,818</b>
<b>Expenditures</b>		
Current Operating:		
Public Safety	62,263	62,263
Administration	12,722	12,722
	<hr/>	<hr/>
<b>Total Expenditures</b>	<b>74,985</b>	<b>74,985</b>
 <b>Excess (Deficiency) of Revenues Over Expenditures</b>	 <b>17,833</b>	 <b>17,833</b>
 <b>Net Change in Fund Balances</b>	 <b>17,833</b>	 <b>17,833</b>
 <b>FUND BALANCE - Beginning of Year</b>	 <b>121,885</b>	 <b>121,885</b>
	<hr/>	<hr/>
<b>FUND BALANCE - End of Year</b>	<b>\$ 139,718</b>	<b>\$ 139,718</b>
	<hr/> <hr/>	<hr/> <hr/>

The notes to the financial statements are an integral part of this report.

<b>WEST IRON COUNTY FIRE BOARD</b>
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**RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

*YEAR ENDED MARCH 31, 2008*

**Net Change in Fund Balances - Total Governmental Funds** **\$ 17,833**

Amounts reported for governmental activities in the statement  
of activities are different because:

Governmental funds report capital outlays as expenditures; in  
the statement of activities, these costs are allocated over their  
estimated useful lives as depreciation.

Depreciation Expense

(54,597)

Capital Outlay

-

Total

(54,597)

Revenue reported in the statement of activities that does not provide  
current financial resources and are not reported as revenue  
in the governmental funds

-

Accrued interest is recorded in the statement of activities when  
incurred; it is not reported in governmental funds until paid

-

Repayment of bond principal is an expenditure in the governmental  
funds, but not in the statement of activities (where it reduces  
long term debt)

Increases Decreases in compensated absences are reported as  
expenditures when financial resources are used in the governmental  
funds in accordance with GASB Interpretation No. 6

-

**Change in Net Assets of Governmental Activities** **\$ (36,764)**

The notes to the financial statements are an integral part of this report.

<b>WEST IRON COUNTY FIRE BOARD</b>
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**STATEMENT OF NET ASSETS - DISCRETELY PRESENTED COMPONENT UNITS**

*DECEMBER 31, 2008*

**ASSETS**

**Current Assets**

Cash and cash equivalents	<u>\$ 18,571</u>
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Total Current Assets	18,571
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<b>TOTAL ASSETS</b>	<b><u><u>\$ 18,571</u></u></b>
---------------------	--------------------------------

**NET ASSETS**

Invested in Capital Assets, Net of Related Debt	-
--	---

Net Assets, Unreserved	<u>18,571</u>
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<b>TOTAL NET ASSETS</b>	<b><u><u>\$ 18,571</u></u></b>
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The notes to the financial statements are an integral part of this report.



<b>WEST IRON COUNTY FIRE BOARD</b>
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**STATEMENT OF ACTIVITIES - DISCRETELY PRESENTED COMPONENT UNITS**

*YEAR ENDED DECEMBER 31, 2008*

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Expense) Revenue and Change in Net Assets</u>
<u>West Iron County Volunteer Fire Department</u>	\$ 37,970	\$ 16,092	\$ -	\$ (21,878)
	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 37,970	\$ 16,092	\$ -	\$ (21,878)
<b>General Revenues:</b>				
Fund Raising				20,168
Interest and Investment earnings				578
Miscellaneous				<hr/> -
<i>Total General Revenues</i>				20,746
<b>Change in Net Assets</b>				(1,132)
<b>Net Assets-Beginning of Year</b>				<hr/> 19,703
<b>Net Assets-End of Year</b>				<hr/> <b>\$ 18,571</b> <hr/>

The notes to the financial statements are an integral part of this report.

## **NOTES TO THE FINANCIAL STATEMENTS**

<b>WEST IRON COUNTY FIRE BOARD</b>
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**NOTES TO THE FINANCIAL STATEMENTS**

*MARCH 31, 2008*

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting methods and procedures adopted by the **West Iron County Fire Board**, Iron River, Michigan, conform to generally accepted accounting principles as applicable to governmental entities. The following is a summary of the more significant policies:

**THE FINANCIAL REPORTING ENTITY**

The **West Iron County Fire Board** was organized in 1987 and provides fire protection for Iron River, Bates and Stambaugh Townships, and the City of Iron River, Iron County, Michigan. The Board operates under an appointed board of commissioners (9 people) and provides fire protection services to more than 4500 residents.

The criteria established by GASB Statement 14, The Financial Reporting Entity, is used to determine the primary government unit and the component units to be included in the financial reporting entity. This Statement describes the characteristics of a primary government unit, which includes a separately elected governing board, legally separate government possessing corporate power and separate legal standing, and fiscal independence.

<b>WEST IRON COUNTY FIRE BOARD</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*MARCH 31, 2008*

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**THE FINANCIAL REPORTING ENTITY (Continued)**

On this basis, the financial statements of the *West Iron County Volunteer Fire Department* are included in the financial statements of the **West Iron County Fire Board** as a discretely presented component unit.

**WEST IRON COUNTY VOLUNTEER FIRE  
DEPARTMENT**

The *West Iron County Volunteer Fire Department* was organized in 1987 and consists of volunteer fire fighters from the City of Iron River and the townships of Bates, Iron River, and Stambaugh. The purpose of the organization is to preserve and protect all life and property as declared by the **West Iron County Fire Board**.

The officers, elected by a plurality of votes of members present at the annual meeting consist of a Chief, Assistant Chief, First Captain, Second Captain, Training Officer, and Secretary/Treasurer.

<b>WEST IRON COUNTY FIRE BOARD</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*MARCH 31, 2008*

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**BLENDED COMPONENT UNITS**

A blended component unit is a legally separate entity from the local unit, but is so intertwined with the local unit that it is, in substance, the same as the local governmental unit.

A basic strategy of GASB 14 is to present financial information for component units separately from the financial information for the primary government.

This is achieved through the discrete presentation method. However, in the case of blended component units, GASB believes that it would be more appropriate to use the blending method to incorporate the financial information of a component unit into the reporting entity's financial statements.

<b>WEST IRON COUNTY FIRE BOARD</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*MARCH 31, 2008*

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**BLENDED COMPONENT UNITS (Continued)**

When the blending method is used, transactions and balances of a component unit are merged with similar transactions and balances of the primary government so that there is no way to identify which balances relate to the component unit and which relate to the primary government.

**JOINT VENTURES**

A joint venture is a legal entity or other organization that results from a contractual agreement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain an ongoing financial interest or an ongoing financial responsibility.

An ongoing financial responsibility is determined as a participating government's obligation in some manner for debts or the joint venture's existence depends on continued funding by the participating government.

<b>WEST IRON COUNTY FIRE BOARD</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*MARCH 31, 2008*

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**JOINT VENTURES (Continued)**

There are no joint ventures to be reported.

**JOINTLY GOVERNED ORGANIZATIONS**

A jointly governed organization is a multi-governmental arrangement that is governed by representatives from each of the governments that create the organization, but that is not a joint venture because the participants do not retain an ongoing financial interest or responsibility.

There are no jointly governed organizations to be reported.

**RELATED ORGANIZATIONS**

A related organization is an organization for which a primary government is not financially accountable (because it does not impose will or have a financial benefit or burden relations) even though the primary government appoints a voting majority of the organization's governing board.

<b>WEST IRON COUNTY FIRE BOARD</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*MARCH 31, 2008*

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**RELATED ORGANIZATIONS (Continued)**

There are no related organizations to be reported.

**BASIS OF PRESENTATION**

The Fire Board follows GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. GASB Statement No. 34 adds the following components to the financial statements:

***Management's Discussion and Analysis***

A narrative introduction and analytical overview of the government's financial activities. This analysis is similar to the analysis the private sector provides in their annual reports.

***Government-wide financial statements***

These include financial statements prepared using full accrual accounting for all of the government's activities.



<b>WEST IRON COUNTY FIRE BOARD</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*MARCH 31, 2008*

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**BASIS OF PRESENTATION (Continued)**

***Government-wide financial statements (Continued)***

This approach includes not just current assets and liabilities (such as cash and accounts payable) but also capital assets and long-term liabilities (such as buildings and infrastructure, including bridges and roads, and general obligation debt). Annual accounting also reports all of the revenues and cost of providing services each year, not just those received or paid in the current year or soon thereafter. The government-wide statements include the Statement of Net Assets and the Statement of Program Activities.

***Statement of Net Assets***

The Statement of Net Assets displays the financial position of the primary government (government and business-type activities, when applicable) and its discretely presented component units.

<b>WEST IRON COUNTY FIRE BOARD</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*MARCH 31, 2008*

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**BASIS OF PRESENTATION (Continued)**

***Statement of Net Assets (Continued)***

Governments report all capital assets, including infrastructure, in the government-wide Statement of Net Assets and report depreciation expenses - the cost of "using up" capital assets - in the Statement of Activities. The net assets of a government are broken down into three categories - 1) invested in capital assets, net of related debt; 2) reserved; and 3) unreserved.

***Statement of Program Activities***

The statement of program activities reports expenses and revenues in a format that focuses on the cost of the government's functions. The expense of individual functions is compared to the revenues generated directly by the function (for instance, through user charges or intergovernmental grants).

<b>WEST IRON COUNTY FIRE BOARD</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*MARCH 31, 2008*

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**BASIS OF PRESENTATION (Continued)**

***Budgetary comparison schedules***

Demonstrating compliance with the adopted budget is an important component of a government's accountability to the public. Many citizens participate in the process of establishing the annual operating budgets of state and local governments, and have a keen interest in following the actual financial progress of their governments over the course of the year. The Fire Board and many other governments revise their original budgets over the course of the year for a variety of reasons.

**GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

As required by accounting principles generally accepted in the United States of America, these financial statements present the primary government and its component units, entities for which the government is considered to be financially accountable.

<b>WEST IRON COUNTY FIRE BOARD</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*MARCH 31, 2008*

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**BASIS OF PRESENTATION (Continued)**

**GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)**

Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. The discretely presented component units are reported in a separate column in the government-wide statements to emphasize they are legally separate from the primary government. The discretely presented component unit has a December 31 fiscal year-end.

The basic financial statements include both government-wide (based on the Fire Board as a whole) and fund financial statements. The reporting model focus is on both the Fire Board as a whole and the fund financial statements, including the major individual funds of the governmental categories.

<b>WEST IRON COUNTY FIRE BOARD</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*MARCH 31, 2008*

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**BASIS OF PRESENTATION (Continued)**

**GOVERNMENT-WIDE AND FUND FINANCIAL  
STATEMENTS (Continued)**

The following criteria is applied for major fund qualification:

Total assets, liabilities, revenues, or expenditures/expenses (excluding extraordinary items) of an individual fund are at least 10% of the corresponding total for a fund type.

Total assets, liabilities, revenues, or expenditures/expenses (excluding extraordinary items) of an individual fund are at least 5% of the corresponding total for the total of all governmental and enterprise funds combined.

Assets, or any other element taken one at a time would have to pass both the 10% test and the 5% test for the fund to be considered a major fund.

Both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as governmental.

<b>WEST IRON COUNTY FIRE BOARD</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*MARCH 31, 2008*

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**BASIS OF PRESENTATION (Continued)**

**GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)**

In the government-wide Statement of Net Assets, the governmental column (a) is presented, and (b) is reflected, on a full accrual, economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations. Both government-wide and fund financial statement presentations provide valuable information that can be analyzed and compared (between years and between governments) to enhance the usefulness of the financial information. The Fire Board generally uses restricted assets first for expenses incurred for which both restricted and unrestricted assets are available.

The Fire Board may defer the use of restricted assets based on a review of the specific transaction.

The government-wide Statement of Activities reflects both the gross and net cost per functional category (public safety) that is otherwise being supported by general government revenues (Interest and Investment earnings).

<b>WEST IRON COUNTY FIRE BOARD</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*MARCH 31, 2008*

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**BASIS OF PRESENTATION (Continued)**

**GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)**

The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants, and contributions.

The program revenues must be directly associated with the function (public safety).

Program revenues include 1) charges to customers for fire protection and 2) grants and contributions that are restricted to meeting the operation or capital requirements of a particular function of segment. Other items not properly included among program revenues are reported as general revenues. The Fire Board does not allocate indirect expenses. When applicable, the operating grants and contributions column includes operating-specific and discretionary (either operating or capital) grants while the capital grants and contributions column reflects capital-specific grants.

<b>WEST IRON COUNTY FIRE BOARD</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*MARCH 31, 2008*

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**BASIS OF PRESENTATION (Continued)**

**GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)**

In the fund financial statements, financial transactions and accounts of the Fire Board are organized on the basis of funds.

The operation of each fund is considered to be an independent fiscal and separate accounting entity, with a self-balancing set of accounts recording cash and/or other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The fund statements are presented on a current financial resource and modified accrual basis of accounting. This is the manner in which these funds are normally budgeted.



<b>WEST IRON COUNTY FIRE BOARD</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*MARCH 31, 2008*

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**BASIS OF PRESENTATION (Continued)**

**GOVERNMENT-WIDE AND FUND FINANCIAL  
STATEMENTS (Continued)**

Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, a reconciliation is presented which briefly explains the adjustments necessary to reconcile the fund financial statements to the governmental activities column of the government-wide financial statements.

The following is a brief description of the specific funds used by the Fire Board.

**GOVERNMENTAL FUNDS**

These funds are those through which most governmental functions typically are financed.

<b>WEST IRON COUNTY FIRE BOARD</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*MARCH 31, 2008*

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**BASIS OF PRESENTATION (CONTINUED)**

**GOVERNMENT-WIDE AND FUND FINANCIAL  
STATEMENTS (Continued)**

**GOVERNMENTAL FUNDS (Continued)**

The acquisition, use, and balances of the Fire Board's expendable financial resources and the related current liabilities are accounted for through the Governmental Funds. These funds are as follows:

***General Fund***

This fund is used for all financial transactions not accounted for in another fund, including the general operating expenditures of the local unit.

Revenues are derived primarily from assessments from the participating municipalities. For reporting purposes, the General Fund is always considered to be a major fund.

<b>WEST IRON COUNTY FIRE BOARD</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*MARCH 31, 2008*

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**BASIS OF PRESENTATION (CONTINUED)**

**GOVERNMENT-WIDE AND FUND FINANCIAL  
STATEMENTS (Continued)**

**GOVERNMENTAL FUNDS (Continued)**

***Debt Service Funds***

Debt Service Funds (when applicable) are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. Currently, the **West Iron County Fire Board** does not require the use of a *Debt Service Fund*.

**MEASUREMENT FOCUS**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using the current financial resources measurement focus. With this measurement focus, only current liabilities generally are included on the balance sheet in the fund statements. Long-term assets and long-term liabilities are included in the government-wide statements, when applicable.

<b>WEST IRON COUNTY FIRE BOARD</b>
------------------------------------

**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*MARCH 31, 2008*

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**BASIS OF PRESENTATION (Continued)**

**MEASUREMENT FOCUS (Continued)**

Operating statements of the governmental funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The government-wide statement of net assets and statement of activities are accounted for on a flow of economic resources measurement focus.

With this measurement focus, all assets and all liabilities associated with the operation of these activities are included on the statement of net assets.

The statement of net assets and statement of activities are presented on the accrual basis of accounting.

<b>WEST IRON COUNTY FIRE BOARD</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*MARCH 31, 2008*

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**BASIS OF PRESENTATION (Continued)**

**MEASUREMENT FOCUS (Continued)**

Under this method of accounting, revenues are recognized when earned and expenses are recorded when liabilities are incurred without regard to receipt or disbursement of cash.

The fund financial statements of the General Fund and are maintained and reported on the modified accrual basis of accounting using the current financial resources measurement focus. Under this method of accounting, revenues are recognized in the period in which they become measurable and available. Interest income is recorded as earned. Federal and state reimbursement-type grants revenue is considered to be measurable and available as revenue when related eligible expenditures are incurred.

<b>WEST IRON COUNTY FIRE BOARD</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*MARCH 31, 2008*

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**BASIS OF PRESENTATION (Continued)**

**MEASUREMENT FOCUS (Continued)**

Expenditures, other than accrued interest and long-term debt, are recorded when the fund liability is incurred.

The local government unit applies all GASB pronouncements as well as the FASB pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

**ENCUMBRANCES**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriations, is employed for accountability purposes only.

<b>WEST IRON COUNTY FIRE BOARD</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*MARCH 31, 2008*

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**BASIS OF PRESENTATION (Continued)**

**ENCUMBRANCES**

It is the Fire Board's policy to honor all unfilled contracts/orders at year-end, but the authority to complete these transactions is provided by the new year's budget appropriations, as unexpended appropriations of the current year lapse at year-end.

**CASH AND CASH EQUIVALENTS**

The Fire Board pools cash resources of its various funds to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash accounts is available to meet current operating requirements.

The Fire Board classifies cash on hand, cash on deposit (including certificates of deposit), and highly liquid investments with an original maturity of ninety days or less when purchased as cash in its financial statements.

<b>WEST IRON COUNTY FIRE BOARD</b>
------------------------------------

**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*MARCH 31, 2008*

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**BASIS OF PRESENTATION (Continued)**

**INVENTORIES**

Inventories of supplies are expended as received.

**RECEIVABLES**

Accounts which will be collected within sixty days of year-end are accrued as accounts receivable in the General Fund. On an annual basis the charges are reviewed for collectibility.

**INTEREST RECEIVABLE**

Interest on certificates of deposit is recorded as revenue in the year the interest is earned and is available to pay liabilities of the current period.



<b>WEST IRON COUNTY FIRE BOARD</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*MARCH 31, 2008*

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**BASIS OF PRESENTATION (Continued)**

**DUE TO/FROM OTHER FUNDS**

Transactions between funds that had not been paid or received as of fiscal year-end have been recorded as inter-fund accounts receivable and payable in the financial statements. These inter-fund receivables and payables do not represent Board-approved loans between funds.

**DEFERRED REVENUE**

Deferred revenue represents amounts under the modified accrual basis of accounting for which asset recognition criteria have been met but for which revenue recognition criteria have not been met, whereby such amounts are measurable but not considered currently available resources.

<b>WEST IRON COUNTY FIRE BOARD</b>
------------------------------------

**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*MARCH 31, 2008*

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**BASIS OF PRESENTATION (Continued)**

**FUND EQUITY**

The unreserved fund balances for governmental funds represent the amount available for budgeting future operations. The reserved fund balances represent the amount that has been legally identified for specific purposes. Designated fund balances represent amounts earmarked by the Fire Board for future expenditures.

**BUDGETS AND BUDGETARY ACCOUNTING**

The Fire Board follows the State of Michigan Uniform Budgeting and Accounting Act for budgeting procedures. Budgets are adopted on a basis consistent with generally accepted accounting principles. An annual appropriated budget is adopted for the general fund.

<b>WEST IRON COUNTY FIRE BOARD</b>
------------------------------------

**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*MARCH 31, 2008*

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**BASIS OF PRESENTATION (Continued)**

**BUDGETS AND BUDGETARY ACCOUNTING  
(Continued)**

Unexpended appropriations lapse at fiscal year-end.

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

1. Prior to March 31 of the preceding fiscal year, the Fire Board prepares a budget for the next fiscal year beginning April 01. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Fire Board is then called for the purpose of adopting the proposed budget after sufficient public notice of the meeting has been given.

<b>WEST IRON COUNTY FIRE BOARD</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*MARCH 31, 2008*

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**BASIS OF PRESENTATION (Continued)**

**BUDGETS AND BUDGETARY ACCOUNTING  
(Continued)**

3. Prior to April 01, the budget is legally enacted through passage of a resolution by the members of the Fire Board.

Once the budget is approved, it can be amended at the Function and Fund level only by approval of a majority of the members of the Fire Board. Amendments are presented to the Fire Board at their regular meetings. Each amendment must have Fire Board approval.

**NON-MONETARY TRANSACTIONS**

The Single Audit Act of 1984, as amended, and OMB Circular A-133 defines federal financial assistance to include both monetary and non-monetary forms of assistance provided by or passed down from a federal agency, such as grants, contracts, loans, loan guarantees, property, etc.

<b>WEST IRON COUNTY FIRE BOARD</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*MARCH 31, 2008*

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**BASIS OF PRESENTATION (Continued)**

**CAPITAL ASSETS**

Capital outlays are recorded as expenditures of the General Fund and as assets in the governmental-wide statements to the extent the Fire Board's threshold of \$1,000 is met. Depreciation is recorded on general fixed assets on a government-wide basis using the straight-line method and the following estimated useful lives:

**Buildings..... 20 - 30 years**

**Infrastructure..... 10 - 65 years**

**Furniture and Other**

**Equipment..... 5 - 20 years**

<b>WEST IRON COUNTY FIRE BOARD</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*MARCH 31, 2008*

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**BASIS OF PRESENTATION (Continued)**

**CAPITAL ASSETS (Continued)**

Maintenance, repairs, and minor equipment are charged to operations when incurred. Expenses that materially change capacities or extend useful lives are capitalized. Upon sale or retirement of land, buildings, and equipment, the cost and related accumulated depreciation, if applicable, are eliminated from the respective accounts and any resulting gain or loss is included in the results of operations.

**COMPENSATED ABSENCES**

There are no compensated absences to be reported.

**POST EMPLOYMENT BENEFITS**

There are no post employment benefits for the **West Iron County Fire Board**.

<b>WEST IRON COUNTY FIRE BOARD</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*MARCH 31, 2008*

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**BASIS OF PRESENTATION (Continued)**

**USE OF ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**NOTE B – INTER-FUND ACTIVITIES**

**INTER-FUND RECEIVABLES AND PAYABLES**

Inter-fund receivables and payables do not represent inter-fund borrowings; instead, they represent actual amounts which are pending between funds at year-end due to the timing of cash flows. Generally, these amounts clear shortly after year-end when resources become available.

On March 31, 2008, the Fire Board had no inter-fund receivables/payables.

<b>WEST IRON COUNTY FIRE BOARD</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*MARCH 31, 2008*

**NOTE B – INTER-FUND ACTIVITIES (CONTINUED)**

**OPERATING TRANSFERS**

Inter-fund transfers are the result of legally authorized transfers from a fund receiving revenue to the fund through which the resources are to be expended.

During the fiscal year ended March 31, 2008, the Fire Board had no operating transfers.

**OTHER FINANCING SOURCES (USES)**

The transfers of cash between the various Fire Board's funds are budgeted but reported separately from revenues and expenditures as operating transfers in or (out), unless they represent temporary advances that are to be repaid, in which case, they are carried as assets and liabilities of the advancing or borrowing funds.



<b>WEST IRON COUNTY FIRE BOARD</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*MARCH 31, 2008*

**NOTE C - CASH, DEPOSITS, AND INVESTMENTS (CONTINUED)**

**PRIMARY GOVERNMENT (Continued)**

On March 31, 2008 the carrying value of the Fire Board's deposits (Primary Government) was \$ 134,928 and is comprised of cash and deposits reflected in the financial statements as follows:

<b>Governmental Funds</b>	
General Fund	\$ <u>134928</u>
<b>Total Governmental Funds</b>	<b>\$ 134928</b>

The Governmental Accounting Standards Board Statement No. 3, risk disclosures for the local unit's cash deposits classifies cash according to three levels of risk.

The three levels of risk are as follows:

<b>WEST IRON COUNTY FIRE BOARD</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*MARCH 31, 2008*

**NOTE C - CASH, DEPOSITS, AND INVESTMENTS (CONTINUED)**

**Category 1**

Deposits which are insured or collateralized with securities held by the Fire Board or its agent in the Fire Board's name.

**Category 2**

Deposits which are collateralized with securities held by the pledging financial institution's trust department or agent in the Fire Board's name.

**Category 3**

Deposits which are not collateralized or insured.

Based on these levels of risk, the Fire Board's cash deposits (Primary Government) are classified as follows:

<b>WEST IRON COUNTY FIRE BOARD</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*MARCH 31, 2008*

**NOTE C - CASH, DEPOSITS, AND INVESTMENTS (CONTINUED)**

**SCHEDULE OF CASH AND DEPOSITS**

**PRIMARY GOVERNMENT**

	<b>Category 1</b>	<b>Category 2</b>	<b>Category 3</b>	<b>Total</b>
Cash and Deposits	\$ 128365	\$ -0-	\$ 6563	\$ 134928

**COMPONENT UNITS**

On December 31, 2007, the carrying value of the Component Unit's deposits was \$ 18,571.

Based on the levels of risk, the Component Unit's cash and deposits are classified as follows:

	<b>Category 1</b>	<b>Category 2</b>	<b>Category 3</b>	<b>Total</b>
Cash and Deposits	\$ 18571	\$ -0-	\$ -0-	\$ 18571

<b>WEST IRON COUNTY FIRE BOARD</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*MARCH 31, 2008*

**NOTE C - CASH, DEPOSITS, AND INVESTMENTS (CONTINUED)**

**INVESTMENTS**

The Fire Board's investments are categorized below to give Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Custodial risk is the risk that, in the event of the failure of the counterparty, the Fire Board will not be able to recover the value of its investments or collateral securities in the possession of an outside party.

The Fire Board's investments are categorized below to give an indication of the level of risk assumed at year-end. **Category 1** includes investments that are insured or registered or for which the securities are held by the Fire Board or its agent in the Fire Board's name. **Category 2** includes uninsured and unregistered investments for which the securities are held by the broker's or dealer's safekeeping department or agent in the Fire Board's name. **Category 3** includes uninsured and registered investments for which the securities are held by the broker or dealer, or by its safekeeping department or agent, but not in the Fire Board's name.

<b>WEST IRON COUNTY FIRE BOARD</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*MARCH 31, 2008*

**NOTE C - CASH, DEPOSITS, AND INVESTMENTS (CONTINUED)**

**INVESTMENTS (Continued)**

Neither the Fire Board nor the Component Unit have investments, as reflected below:

	<b>Category 1</b>	<b>Category 2</b>	<b>Category 3</b>	<b>Category Value</b>	<b>Market Value</b>
<b><u>Investment Type</u></b>	<b>\$ <u>0</u></b>	<b>\$ <u>0</u></b>	<b>\$ <u>0</u></b>	<b>\$ <u>0</u></b>	<b>\$ <u>0</u></b>
<b>Total Investments</b>	<b>\$ <u>0</u></b>	<b>\$ <u>0</u></b>	<b>\$ <u>0</u></b>	<b>\$ <u>0</u></b>	<b>\$ <u>0</u></b>

**STATUTORY AUTHORITY**

Act 196, PA 1997, authorizes the Fire Board to deposit and invest in:

1. Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.

<b>WEST IRON COUNTY FIRE BOARD</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*MARCH 31, 2008*

**NOTE C - CASH, DEPOSITS, AND INVESTMENTS (CONTINUED)**

**STATUTORY AUTHORITY (Continued)**

2. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a financial institution eligible to be a depository of funds belonging to the State of Michigan under a law or rule of this state or the United States.
3. Commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and that matures not more than 270 days after the date of purchase.
4. Repurchase agreements consisting of instruments issued by the United States or an agency or instrumentality of the United States.

<b>WEST IRON COUNTY FIRE BOARD</b>
------------------------------------

**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*MARCH 31, 2008*

**NOTE C - CASH, DEPOSITS, AND INVESTMENTS (CONTINUED)**

**STATUTORY AUTHORITY (Continued)**

5. Bankers acceptances of United States banks.
6. Obligations of the State of Michigan or any of its political subdivisions that at the time of purchase are rated as investment grade by not less than one standard rating service.
7. Mutual funds registered under the Investment Act of 1950 with the authority to purchase only investment vehicles that are legal for direct investment by a public corporation.

The Fire Board has adopted an investment policy, allowing for all types of deposits and investments listed above.

<b>WEST IRON COUNTY FIRE BOARD</b>
------------------------------------

**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*MARCH 31, 2008*

**NOTE C - CASH, DEPOSITS, AND INVESTMENTS (CONTINUED)**

**STATUTORY AUTHORITY (Continued)**

The Fire Board's deposits and investments are in compliance with its investment policy.

**NOTE D - PENSION PLAN**

The Fire board does not maintain a pension plan.

**NOTE E - EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN BUDGETARY FUNDS**

**BUDGET VIOLATIONS**

P.A. 621 of 1978, SECTION 18 (1), as amended, provides a local unit shall not incur expenditures in excess of the amounts appropriated.

There were no expenditures in excess of amounts appropriated.



<b>WEST IRON COUNTY FIRE BOARD</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*MARCH 31, 2008*

**NOTE F - ACCUMULATED FUND DEFICITS**

At March 31, 2008, the Fire Board had no fund balance/retained earnings deficit in any fund.

**NOTE G - RISK MANAGEMENT**

The Fire Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Fire Board maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Fire Board.

**NOTE H - CAPITAL ASSETS**

The following is a summary of the changes in capital assets for the fiscal year ended March 31, 2008:

<b>WEST IRON COUNTY FIRE BOARD</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*MARCH 31, 2008*

**NOTE H - CAPITAL ASSETS (CONTINUED)**

**GOVERNMENTAL ACTIVITIES**

	Balance March 31, <u>2007</u>	<u>Increases</u>	<u>Decreases</u>	Balance March 31, <u>2008</u>
<b><u>Capital Assets Not Being Depreciated</u></b>				
Land and Land Improvements	\$ 2500	\$ 0	\$ 0	\$ 2500
<b>Total Capital Assets Not Being Depreciated</b>	<b>\$ 2500</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 2500</b>
<b><u>Other Capital Assets</u></b>				
Buildings	242688	0	0	242688
Furniture and Other Equipment	<u>634799</u>	<u>0</u>	<u>0</u>	<u>634799</u>
<b>Total Other Capital Assets</b>	<b>\$ 877487</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 877487</b>
<b>Less Accumulated Depreciation for:</b>				
Buildings	(64933)	(4853)	0	(69786)
Furniture and Other Equipment	<u>(279201)</u>	<u>(49744)</u>	<u>0</u>	<u>(328945)</u>
<b>Total Accumulated Depreciation</b>	<b>(344134)</b>	<b>(54597)</b>	<b>0</b>	<b>(398731)</b>
Other Capital Assets, Net	533353	(54597)	0	478756
<b>TOTALS</b>	<b>\$ <u>535853</u></b>	<b>\$ <u>(54597)</u></b>	<b>\$ <u>0</u></b>	<b>\$ <u>481256</u></b>

<b>WEST IRON COUNTY FIRE BOARD</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*MARCH 31, 2008*

**NOTE I - LONG-TERM DEBT**

**The West Iron County Fire Board** has no long-term debt.

**NOTE J - RELATED PARTY TRANSACTIONS**

*Related parties* exist when there is a relationship that offers potential for transactions at less than arm's length, favorable treatment, or the ability to influence the outcome of events differently from that which might result in the absence of that relationship.

Financial statements must include disclosure of material related party transactions, other than compensation arrangements, expense allowances and similar items in the ordinary course of business. However, disclosure of transactions that are eliminated in the preparation of combined financial statements is not required in those statements.

<b>WEST IRON COUNTY FIRE BOARD</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*MARCH 31, 2008*

**NOTE J - RELATED PARTY TRANSACTIONS (CONTINUED)**

On this basis, there are no related party transactions reported in the financial statements.

**NOTE K - SUBSEQUENT EVENTS**

Subsequent events have a material effect on the financial statements which requires adjustment or disclosure. They relate to events that provide additional evidence with respect to conditions that existed at the date of the balance sheet and events that provide evidence with respect to conditions that did not exist at the date of the balance sheet but arose subsequent to that date.

At fiscal year ended March 31, 2008, there were no subsequent events that would have a significant affect on the Fire Board's operations.

<b>WEST IRON COUNTY FIRE BOARD</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
(CONTINUED)**

*MARCH 31, 2008*

**NOTE L - COMMITMENTS AND CONTINGENCIES**

There are no commitments or contingencies to be reported for the **West Iron County Fire Board** for the fiscal year ended March 31, 2008.

**REQUIRED SUPPLEMENTAL INFORMATION**

<b>WEST IRON COUNTY FIRE BOARD</b>
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**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

*YEAR ENDED MARCH 31, 2008*

	<u>Original Budget</u>	<u>Final Amended Budget</u>	<u>Actual</u>
<b><u>Revenue</u></b>			
Local Unit Assessments	\$ 76,000	\$ 76,000	\$ 76,000
Fire Service Revenue	6,000	6,000	8,779
Use of money and property	4,500	4,500	5,035
Other revenue	1,000	1,000	3,004
Intergovernmental	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total Revenue</b>	\$ 87,500	\$ 87,500	\$ 92,818
 <b><u>Expenditures</u></b>			
Administration	12,650	13,255	12,722
Public Safety			
Fire Protection	22,750	23,736	23,444
Equipment	19,900	18,459	7,172
Fire Hall	11,000	11,300	11,174
Other Expenses	21,200	20,750	20,473
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total Expenditures</b>	\$ 87,500	\$ 87,500	\$ 74,985
 <b><u>Other Financing Sources (Uses)</u></b>			
Operating transfers in	-	-	-
Operating transfers out	-	-	-
Transfers to component units	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total Other Financing Sources (Uses)</b>	-	-	-
 <b>Net Change in Fund Balance</b>	-	-	17,833
 <b>Fund Balance -Beginning of year</b>	<u>121,885</u>	<u>121,885</u>	<u>121,885</u>
 <b>Fund Balance - End of year</b>	<u><u>\$ 121,885</u></u>	<u><u>\$ 121,885</u></u>	<u><u>\$ 139,718</u></u>

The notes to the financial statements are an integral part of this report.

## **OTHER SUPPLEMENTAL INFORMATION**



<b>WEST IRON COUNTY FIRE BOARD</b>
------------------------------------

**BALANCE SHEET - GENERAL FUND**

*MARCH 31, 2008*

**ASSETS**

Cash	\$	134,928
Accounts Receivable		<u>4,790</u>
<b>TOTAL ASSETS</b>	<b>\$</b>	<b><u>139,718</u></b>

**FUND EQUITY**

Fund Balance		<u>139,718</u>
<b>TOTAL FUND EQUITY</b>	<b>\$</b>	<b><u>139,718</u></b>

The notes to the financial statements are an integral part of this report.

<b>WEST IRON COUNTY FIRE BOARD</b>
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**STATEMENT OF REVENUE - ACTUAL AND BUDGET - GENERAL FUND**

*FISCAL YEAR ENDED MARCH 31, 2008*

(With Comparable Totals for Fiscal Year Ended March 31, 2007)

	<b>FISCAL YEAR ENDED MARCH 31, 2008</b>			<b>Fiscal Year Ended 03/31/07</b>
	<b>Actual</b>	<b>Budget</b>	<b>Variance Favorable (Unfavorable)</b>	
<b><u>LOCAL SOURCES</u></b>				
<b><u>Assessments</u></b>				
Bates Township	\$ 19,000	\$ -	\$ -	\$ 19,000
City of Iron River	19,000			19,000
Stambaugh Township	19,000	-	-	19,500
Iron River Township	19,000			19,000
Total Assessments	\$ 76,000	\$ 76,000	\$ -	\$ 76,500
 <b>Interest</b>	 5,035	 4,500	 535	 4,686
 <b><u>Other</u></b>				
Fire Services	8,779	6,000	2,779	6,036
Donations	-	-	-	3,807
Miscellaneous	3,004	1,000	2,004	973
Total Other	11,783	7,000	4,783	10,816
 <b><u>FEDERAL SOURCES</u></b>				
Grants	-	-	-	148,750
 <b>TOTAL REVENUE</b>	 <b>\$ 92,818</b>	 <b>\$ 87,500</b>	 <b>\$ 5,318</b>	 <b>\$ 240,752</b>

The notes to the financial statements are an integral part of this report.

<b>WEST IRON COUNTY FIRE BOARD</b>
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**STATEMENT OF EXPENDITURES - ACTUAL AND BUDGET - GENERAL FUND**

*FISCAL YEAR ENDED MARCH 31, 2008*

(With Comparable Totals for Fiscal Year Ended March 31, 2007)

	<b>FISCAL YEAR ENDED MARCH 31, 2008</b>			<b>Fiscal</b>
	<b>Actual</b>	<b>Budget</b>	<b>Variance Favorable (Unfavorable)</b>	<b>Year Ended 3/31/2007</b>
<b><u>LEGISLATIVE</u></b>				
Meetings and Stipends	\$ 9,089	\$ 9,100	\$ 11	\$ 8,046
Office Supplies	416	600	184	600
Contracted Services	55	55	-	
Legal and Audit	3,162	3,500	338	2,975
<b>Total Legislative</b>	<b>12,722</b>	<b>13,255</b>	<b>533</b>	<b>11,621</b>
<b><u>PUBLIC SAFETY</u></b>				
<b><u>Fire Protection</u></b>				
Contract Services	16,092	16,100	8	15,504
Stand by Fees	750	750	-	750
Testing	252	272	20	534
Training	252	273	21	
Supplies	6,098	6,341	243	8,068
<b>Total Fire Protection</b>	<b>23,444</b>	<b>23,736</b>	<b>292</b>	<b>24,856</b>
<b><u>Equipment</u></b>				
Maintenance	5,596	6,859	1,263	691
Fuel	1,576	1,600	24	1,704
Capital Outlay	-	10,000	10,000	231,846
<b>Total Equipment</b>	<b>7,172</b>	<b>18,459</b>	<b>11,287</b>	<b>234,241</b>
<b><u>Fire Hall</u></b>				
Maintenance	433	500	67	677
Utilities	10,741	10,800	59	10,024
<b>Total Fire Hall</b>	<b>\$ 11,174</b>	<b>\$ 11,300</b>	<b>\$ 126</b>	<b>\$ 10,701</b>

The notes to the financial statements are an integral part of this report.

<b>WEST IRON COUNTY FIRE BOARD</b>
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**STATEMENT OF EXPENDITURES - ACTUAL AND BUDGET - GENERAL FUND  
(CONTINUED)**

*FISCAL YEAR ENDED MARCH 31, 2008*  
(With Comparable Totals for Fiscal Year Ended March 31, 2007)

	<b>FISCAL YEAR ENDED MARCH 31, 2008</b>			<b>Fiscal Year Ended 3/31/2007</b>
	<b>Actual</b>	<b>Budget</b>	<b>Variance Favorable (Unfavorable)</b>	
<b><u>Other</u></b>				
Insurance	\$ 17,923	\$ 18,000	\$ 77	\$ 18,433
Dues/Donations	50	50	-	3,129
Tournament	2,500	2,500	-	-
Miscellaneous	-	200	200	-
<b>Total Other</b>	<b>20,473</b>	<b>20,750</b>	<b>277</b>	<b>21,562</b>
<b>TOTAL PUBLIC SAFETY</b>	<b>\$ 62,263</b>	<b>\$ 74,245</b>	<b>\$ 11,982</b>	<b>\$ 291,360</b>
 <b>TOTAL EXPENDITURES</b>	 <b><u>\$ 74,985</u></b>	 <b><u>\$ 87,500</u></b>	 <b><u>\$ 12,515</u></b>	 <b><u>\$ 302,981</u></b>

The notes to the financial statements are an integral part of this report.

<b>WEST IRON COUNTY FIRE BOARD</b>
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**BALANCE SHEET - DISCRETELY PRESENTED COMPONENT UNITS**

*DECEMBER 31, 2007*

**ASSETS**

**Current Assets**

Cash and cash equivalents	<u>\$ 18,571</u>
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Total Current Assets	18,571
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<b>TOTAL ASSETS</b>	<b><u><u>\$ 18,571</u></u></b>
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**FUND EQUITY**

Fund Balance, Unreserved	<u>18,571</u>
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<b>TOTAL FUND EQUITY</b>	<b><u><u>\$ 18,571</u></u></b>
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The notes to the financial statements are an integral part of this report.

<b>WEST IRON COUNTY VOLUNTEER FIRE DEPARTMENT</b>
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**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-  
DISCRETELY PRESENTED COMPONENT UNITS**

*FISCAL YEAR ENDED DECEMBER 31, 2007*

**REVENUES**

Fund raising	\$ 20,168
Contract services	16,092
Interest from investments	578
	578

<b>TOTAL REVENUES</b>	<b>\$ 36,838</b>
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**EXPENDITURES**

Legislative

Office Supplies	538
Membership dues	669
Licenses and fees	150
Other expenses	588
	588

Total Legislative	1,945
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Fund-Raising

Special events	14,540
	14,540

Total Fund-Raising	14,540
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Public Safety

Contract services	16,092
Repairs and Maintenance	954
Supplies	4,439
	4,439

Total Public Safety	21,485
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<b>TOTAL EXPENDITURES</b>	<b>\$ 37,970</b>
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Excess of Revenues Over (Under) Expenditures	(1,132)
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FUND BALANCE, January 1	19,703
	19,703

<b>FUND BALANCE, December 31</b>	<b>\$ 18,571</b>
	18,571

The notes to the financial statements are an integral part of this report.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

# ***DS Rostagno, CPA, P.C.***

***101 West Maple Street, Iron River, MI 49935  
Tel (906) 265-1040 Fax (906) 265-1042***

## **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Directors  
**West Iron County Fire Board**  
Iron River, Michigan 49935

We have audited the financial statements of the governmental activities, the aggregate discretely component unit, each major fund, and the aggregate remaining fund information of the **West Iron County Fire Board**, Iron River, Michigan, as of and for the year ended March 31, 2008, which collectively comprise the **West Iron County Fire Board**, Iron River, Michigan's basic financial statements, and have issued our report thereon dated July 21, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America, and with the standards prescribed by the State Treasurer.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the **West Iron County Fire Board**, Iron River, Michigan's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing opinions on the effectiveness of the **West Iron County Fire Board**, Iron River, Michigan's internal control over financial reporting. Accordingly, we do not express opinions on the effectiveness of the **West Iron County Fire Board**, Iron River, Michigan's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the **West Iron County Fire Board**, Iron River, Michigan's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the **West Iron County Fire Board**, Iron River, Michigan's financial statements that is more than inconsequential will not be prevented or detected by the **West Iron County Fire Board**, Iron River, Michigan's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the **West Iron County Fire Board**, Iron River, Michigan's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

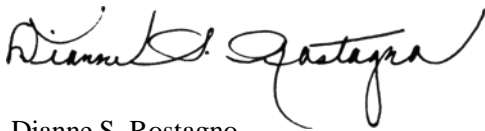


Compliance and Other Matters

As part of obtaining reasonable assurance about whether the **West Iron County Fire Board**, Iron River, Michigan's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the **West Iron County Fire Board**, Iron River, Michigan, in a separate letter dated July 21, 2008.

This report is intended solely for the information and use of management, the Board of Directors, and federal awarding agencies and pass-through entities, and it is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Dianne S. Rostagno". The signature is fluid and cursive, with the first name "Dianne" being more prominent.

Dianne S. Rostagno  
DS ROSTAGNO, CPA, P.C.

July 21, 2008

# ***DS Rostagno, CPA, P.C.***

***101 West Maple Street, Iron River, MI 49935  
Tel (906) 265-1040 Fax (906) 265-1042***

Board of Directors  
**West Iron County Fire Board**  
P.O. Box 203  
Iron River, Michigan 49935

In planning and performing the audit of the financial statements of the **West Iron County Fire Board**, Iron River, Michigan as of and for the year ended March 31, 2008, in accordance with auditing standards generally accepted in the United States of America, we considered the **West Iron County Fire Board's** internal control structure to plan the auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control structure. Accordingly, we do not express an opinion on the effectiveness of the **West Iron County Fire Board**, Iron River, Michigan's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the **West Iron County Fire Board**, Iron River, Michigan's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the **West Iron County Fire Board**, Iron River, Michigan's financial statements that is more than inconsequential will not be prevented or detected by the **West Iron County Fire Board**, Iron River, Michigan's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the **West Iron County Fire Board**, Iron River, Michigan's internal control.

During our audit, we noted certain matters involving the internal control structure and other operational matters that are presented for your consideration. They are divided into three categories: significant deficiencies, material weaknesses, and other matters.

## **MATERIAL WEAKNESS**

There are no matters to report.

## **SIGNIFICANT DEFICIENCIES**

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**New Comments**

**Ability to Prepare Financial Statements and Related Note Disclosures**

Like other local units of government of similar size, limited financial summaries and abbreviated financial statements are made available for the Board of Directors. The **West Iron County Fire Board** relies on auditors to draft its financial statements and related disclosures in accordance with generally accepted accounting principles. The Board of Directors reviews and accepts the financial statements on behalf of the **West Iron County Fire Board**. The hiring of additional personnel to prepare the financial statements would not be cost effective.

**Recommendation**

The Board of Directors should remain involved in the financial reporting process to provide an oversight function. The Board of Directors agrees and will continue to use the auditor's assistance in drafting its financial statements and will remain involved in the financial reporting process.

**Audit Adjustments**

The **West Iron County Fire Board** relies on its auditors to prepare year-end non-recurring adjusting journal entries to adjust its financial statements. The Board of Directors reviews and accepts the adjusting entries on behalf of the **West Iron County Fire Board**.

**Recommendation**

The Board of Directors should continue to review and approve non-recurring entries. The Board of Directors agrees and will continue to use the auditor's assistance in preparing year-end adjusting journal entries.

**Significant Deficiencies Communicated in Prior Years**

There are no matters to report.

**OTHER MATTERS**

**New Comments**

There are no matters to report.

**Matters Communicated in Prior Years**

There are no matters to report.

**West Iron County Fire Board**

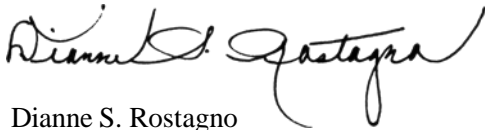
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This letter does not affect our report dated July 21, 2008 on the financial statements of the **West Iron County Fire Board**, Iron River, Michigan. We will review the status of these comments during our next audit engagement. Our comments and recommendations, which have been discussed with the Board of Directors, are intended to improve the internal control structure or result in other operating efficiencies. We will be pleased to discuss these comments in further detail at your convenience, or to assist you in implementing the recommendations.

It has been a pleasure working with the Board of Directors, and we wish to express our appreciation for their cooperation and assistance during the audit engagement.

This communication is intended solely for the information and use of management, those charged with governance, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

Yours very truly,

A handwritten signature in black ink, appearing to read "Dianne S. Rostagno". The signature is fluid and cursive, with a large, stylized "R" and "S".

Dianne S. Rostagno  
DS ROSTAGNO, CPA, P.C.

July 21, 2008